

SENATE BILL 692

C5

EMERGENCY BILL

11r2512
CF HB 391

By: **Senator Middleton and the President (By Request – Administration) and Senators Benson, Forehand, Frosh, Garagiola, Jones–Rodwell, King, Madaleno, Manno, Mathias, Montgomery, Muse, Pinsky, Ramirez, Raskin, and Rosapepe**

Introduced and read first time: February 4, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Electricity Service Quality and Reliability Act**

3 FOR the purpose of requiring the Public Service Commission to adopt certain
4 regulations on or before a certain date that implement certain service quality
5 and reliability standards relating to the delivery of electricity to retail
6 customers by electric companies; requiring certain regulations to include certain
7 service quality and reliability standards, include a separate reliability standard
8 for each electric company, and require the use of nationally recognized
9 standards for certain purposes; requiring the Commission, on or before a certain
10 date, and each year thereafter, to determine whether certain electric companies
11 have met certain service quality and reliability standards; requiring the
12 Commission to take certain appropriate enforcement action against an electric
13 company if the electric company fails to meet certain service quality and
14 reliability standards; requiring that certain civil penalties be credited to a
15 certain electric company's residential ratepayers in a certain manner
16 determined by the Commission and in accordance with a certain principle;
17 prohibiting an electric company from recovering the cost of a certain civil
18 penalty from ratepayers; requiring each electric company to submit to the
19 Commission a certain annual performance report; setting forth required
20 contents of the annual performance report; declaring a certain goal of the State;
21 providing that certain regulations may not apply to small rural electric
22 cooperatives or municipal electric companies; defining certain terms; making
23 this Act an emergency measure; and generally relating to electricity reliability
24 standards.

25 BY adding to
26 Article – Public Utilities
27 Section 7–213

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2010 Replacement Volume)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article – Public Utilities**

6 **7–213.**

7 (A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE
8 MEANINGS INDICATED.

9 (2) “SYSTEM–AVERAGE INTERRUPTION DURATION INDEX” OR
10 “SAIDI” MEANS THE AVERAGE DURATION OF POWER OUTAGES FOR EACH
11 ELECTRICITY CUSTOMER CALCULATED BY DIVIDING THE TOTAL OF ALL
12 CUSTOMER INTERRUPTION DURATIONS BY THE TOTAL NUMBER OF CUSTOMERS
13 SERVED.

14 (3) “SYSTEM–AVERAGE INTERRUPTION FREQUENCY INDEX” OR
15 “SAIFI” MEANS THE AVERAGE NUMBER OF POWER OUTAGES FOR EACH
16 ELECTRICITY CUSTOMER CALCULATED BY DIVIDING THE TOTAL NUMBER OF
17 CUSTOMER INTERRUPTIONS BY THE TOTAL NUMBER OF CUSTOMERS SERVED.

18 (B) IT IS THE GOAL OF THE STATE THAT EACH ELECTRIC COMPANY
19 RANK IN THE TOP QUARTILE OF ELECTRIC COMPANIES NATIONALLY WITH THE
20 HIGHEST LEVELS OF SERVICE QUALITY AND RELIABILITY.

21 (C) REGULATIONS ADOPTED UNDER THIS SECTION MAY NOT APPLY TO
22 SMALL RURAL ELECTRIC COOPERATIVES OR MUNICIPAL ELECTRIC COMPANIES.

23 (D) ON OR BEFORE JULY 1, 2012, THE COMMISSION SHALL ADOPT
24 REGULATIONS THAT IMPLEMENT SERVICE QUALITY AND RELIABILITY
25 STANDARDS RELATING TO THE DELIVERY OF ELECTRICITY TO RETAIL
26 CUSTOMERS BY ELECTRIC COMPANIES, USING:

27 (1) SAIFI;

28 (2) SAIDI; AND

29 (3) ANY OTHER STANDARD THAT THE COMMISSION DETERMINES
30 TO BE REASONABLE.

1 **(E) THE REGULATIONS ADOPTED UNDER SUBSECTION (D) OF THIS**
2 **SECTION SHALL:**

3 **(1) INCLUDE SERVICE QUALITY AND RELIABILITY STANDARDS,**
4 **INCLUDING:**

5 **(I) SERVICE INTERRUPTION;**

6 **(II) DOWNED WIRE REPAIR;**

7 **(III) SERVICE QUALITY;**

8 **(IV) VEGETATION MANAGEMENT;**

9 **(V) ANNUAL RELIABILITY REPORTING; AND**

10 **(VI) ANY OTHER STANDARDS ESTABLISHED BY THE**
11 **COMMISSION;**

12 **(2) INCLUDE A SEPARATE RELIABILITY STANDARD FOR EACH**
13 **ELECTRIC COMPANY IN ORDER TO ACCOUNT FOR SYSTEM RELIABILITY**
14 **DIFFERENTIATING FACTORS INCLUDING:**

15 **(I) SYSTEM DESIGN;**

16 **(II) EXISTING INFRASTRUCTURE;**

17 **(III) CUSTOMER DENSITY; AND**

18 **(IV) GEOGRAPHY; AND**

19 **(3) REQUIRE THE USE OF NATIONALLY RECOGNIZED STANDARDS**
20 **TO NORMALIZE:**

21 **(I) MAJOR OUTAGE EVENTS;**

22 **(II) ANOMALOUS EVENTS THAT DO NOT ACHIEVE MAJOR**
23 **OUTAGE STATUS;**

24 **(III) YEAR-TO-YEAR WEATHER IMPACTS; AND**

25 **(IV) OTHER FACTORS THAT THE COMMISSION IDENTIFIES.**

1 **(F) (1) ON OR BEFORE JULY 1, 2013, AND JULY 1 OF EACH YEAR**
2 **THEREAFTER, THE COMMISSION SHALL DETERMINE WHETHER EACH ELECTRIC**
3 **COMPANY HAS MET THE SERVICE QUALITY AND RELIABILITY STANDARDS**
4 **ADOPTED BY THE COMMISSION FOR THAT ELECTRIC COMPANY UNDER**
5 **SUBSECTION (D) OF THIS SECTION.**

6 **(2) THE COMMISSION SHALL TAKE APPROPRIATE CORRECTIVE**
7 **ACTION AGAINST AN ELECTRIC COMPANY THAT FAILS TO MEET ANY OR ALL OF**
8 **THE SERVICE QUALITY AND RELIABILITY STANDARDS ADOPTED BY THE**
9 **COMMISSION UNDER THIS SECTION, INCLUDING APPROPRIATE CIVIL**
10 **PENALTIES FOR NONCOMPLIANCE.**

11 **(3) NOTWITHSTANDING THE PROVISIONS OF § 13-201 OF THIS**
12 **ARTICLE, CIVIL PENALTIES COLLECTED UNDER THIS SECTION SHALL BE**
13 **CREDITED TO THE ELECTRIC COMPANY'S RESIDENTIAL RATEPAYERS:**

14 **(I) IN A MANNER THE COMMISSION DETERMINES; AND**

15 **(II) IN ACCORDANCE WITH THE PRINCIPLE THAT**
16 **RATEPAYERS SHOULD BE COMPENSATED PROPORTIONALLY ACCORDING TO THE**
17 **NUMBER OF DAYS OF ELECTRIC SERVICE LOST AND THE ESTIMATED**
18 **OUT-OF-POCKET EXPENSES TO RATEPAYERS RESULTING FROM A POWER**
19 **OUTAGE.**

20 **(4) AN ELECTRIC COMPANY MAY NOT RECOVER THE COST OF ANY**
21 **CIVIL PENALTY PAID UNDER THIS SECTION FROM RATEPAYERS.**

22 **(G) (1) ON OR BEFORE MAY 1 OF EACH YEAR, EACH ELECTRIC**
23 **COMPANY SHALL SUBMIT TO THE COMMISSION AN ANNUAL PERFORMANCE**
24 **REPORT THAT SUMMARIZES THE ACTUAL ELECTRIC SERVICE RELIABILITY**
25 **RESULTS FOR THE PRECEDING YEAR.**

26 **(2) THE ANNUAL PERFORMANCE REPORT SHALL INCLUDE:**

27 **(I) THE ELECTRIC COMPANY'S AVERAGE 3-YEAR**
28 **PERFORMANCE RESULTS;**

29 **(II) ACTUAL YEAR-END PERFORMANCE MEASURE RESULTS;**

30 **(III) AN ASSESSMENT OF THE RESULTS AND EFFECTIVENESS**
31 **OF THE RELIABILITY OBJECTIVES, PLANNED ACTIONS AND PROJECTS,**
32 **PROGRAMS, AND LOAD STUDIES IN ACHIEVING AN ACCEPTABLE RELIABILITY**
33 **LEVEL; AND**

1 (IV) ANNUAL INFORMATION THAT THE COMMISSION
2 DETERMINES NECESSARY TO ASSESS THE ELECTRIC COMPANY'S EFFORTS TO
3 MAINTAIN RELIABLE ELECTRIC SERVICE TO ALL CUSTOMERS IN THE ELECTRIC
4 COMPANY'S SERVICE TERRITORY, INCLUDING:

5 1. CURRENT YEAR EXPENDITURES, LABOR
6 RESOURCE HOURS, AND PROGRESS MEASURES FOR EACH CAPITAL AND
7 MAINTENANCE PROGRAM DESIGNED TO SUPPORT THE MAINTENANCE OF
8 RELIABLE ELECTRIC SERVICE;

9 2. THE NUMBER OF OUTAGES BY OUTAGE TYPE;

10 3. THE NUMBER OF OUTAGES BY OUTAGE CAUSE;

11 4. THE TOTAL NUMBER OF CUSTOMERS THAT
12 EXPERIENCED AN OUTAGE; AND

13 5. THE TOTAL CUSTOMER MINUTES OF OUTAGE
14 TIME.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
16 measure, is necessary for the immediate preservation of the public health or safety,
17 has been passed by a ye and nay vote supported by three-fifths of all the members
18 elected to each of the two Houses of the General Assembly, and shall take effect from
19 the date it is enacted.